TOP 100 CREDIT UNIONS — TABLES ON PAGES 20-21

American Banker

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TODAY

ECONOMISTS AND LEADERS of debtor countries warned bankers at last week's congressional economic summit that time may be growing short to implement new approaches to the debt problems of developing nations.... 2

WHILE FRUSTRATED BY a web of regulation and politics, U.S. banks eager to enter the Tokyo securities market are anticipating some changes by the Japanese government.... 2

IN ITS SECOND MAJOR move to boost capital in less than a week, BankAmerica Corp. said it is selling its personal trust services division to rival Wells Fargo & Co.... 3

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COMING CHANGES IN the nation's tax laws have spurred a flurry of end-of-year mergers and acquisitions in corporate America generally; but in banking, no spate of new deals has occurred.... 32

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Random Thoughts

By SANFORD ROSE

It is commonly believed that mortgages outperform virtually all other fixed-income securities. Indeed, many years ago, when yield curves sloped upward nearly all the time and interest rates behaved quite tamely, many bankers advocated a portfolio strategy based on the purchase of federal funds to finance long-term, fixed-rate mortgages.

Over a long period of time, such a strategy would allegedly guarantee maximum returns. However, the long run is composed of a series of short runs, and given rate volatility and yield curve vicissitudes, banks and thrifts that stick to such an "optimal" long-term strategy are very likely to perish in the short run.

Still, many thrifts and a few banks continue to embrace a variant of that long-term strategy. They short-fund fixed-rate mortgage assets. If rates remain stable, they win. If rates rise, they lose — immediately in a market-value sense, ultimately in an accounting sense.

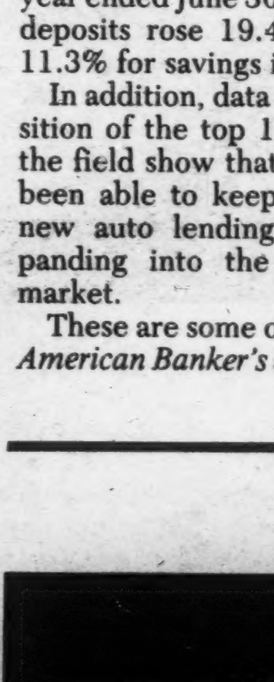
If rates fall, they gain up to the point where the mortgages prepay.

Random Thoughts: Page 4 ➳

Credit Unions' Deposits Keep Soaring

By L. MICHAEL CACACE

NEW YORK — For the third year in a row, credit unions significantly outpaced savings banks and savings and loans in deposit growth in 1985-86.



In the 12-month period ended June 30, deposits at credit unions soared 20.4%, compared with a 5.8% gain for savings institutions. A year earlier, credit union deposits rose 18.4%, while savings institutions posted an 11.1% gain. And during the year ended June 30, 1984, credit union deposits rose 19.4%, compared with 11.3% for savings institutions.

In addition, data on the asset composition of the top 100 credit unions in the field show that credit unions have been able to keep their share of the new auto lending market while expanding into the mortgage lending market.

These are some of the findings of the *American Banker's* annual survey of the top 100 credit unions, published today.

Top Five Credit Unions

Assets in Millions of Dollars on June 30, 1986

1. Navy FCU, Washington, D.C.	$2,401
2. United Air Lines Empl. CU, Chicago	1,303
3. Pentagon FCU, Arlington, Va.	1,299
4. State Employees CU, Raleigh, N.C.	1,169
5. Boeing Employees CU, Seattle	677

Deposit growth at credit unions was helped this year by "cross-intermediation" in the thrift industry. Cross-intermediation is the transferring of maturing deposit funds from one segment of the thrift industry to another.

In this period of declining interest rates, some credit union members have been transferring maturing deposit funds from their savings institution accounts into their credit union accounts to take advantage of the higher interest

Credit Unions: Page 24 ➳

Gray Faces End of Term With Dim Hope

Bank Board Head Says In Interview He's in Debt

By ROBERT M. GARSSON

WASHINGTON — Since his appointment as chairman of the Federal Home Loan Bank Board in 1983, Edwin J. Gray has been singularly concerned with efforts to save the battered thrift industry and its rapidly depleting insurance fund.

Today, as Mr. Gray's term of office nears its last six months, he is still working to shore up the industry and breathe life into the almost bankrupt Federal Savings and Loan Insurance fund.

Edwin J. Gray

But now he has the added burden of coping with a personal scandal. Last week, the board released several thousand pages of documents that outlined how the agency's senior officials had traveled extensively — and sometimes lavishly, Mr. Gray acknowledged — at the expense of the industry they regulate.

Decision Soon on Thrifts' Investments
Page 10

Right now, Mr. Gray said in an interview, he would like nothing more than "to get this whole matter behind us."

That may prove difficult, however. With Congress set to return in January, Mr. Gray's last six months in office are likely to be dominated by questions about the Bank Board's use of a shared

Gray: Page 12 ➳

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Top 100 Credit Unions in the U.S.

Ranked by Total Assets on June 30, 1986, Compared with June 30, 1985

Compiled by American Banker Copyright 1986

Rank 6/86		Insur. Type	Total Assets 6/30/86	Total Assets 6/30/85	Rank 6/30/85	Gain in Rank	Member Savings 6/30/86	Total Capital 6/30/86	No. of Reg. Share Accounts 6/30/86	IRA Accounts 6/30/86	Ratio of Capital To Assets 6/30/86
1	Navy FCU, Washington, D.C.	1	2,401,310,494	1,908,300,907	1		2,166,464,337	150,846,482	741,478	428,688,533	6.28
2	United Air Lines Employees CU, Chicago	3	1,303,249,226	859,888,603	4	+2	868,612,182	27,589,562	84,071	230,105,204	2.12
3	Pentagon FCU, Arlington, Va.	1	1,296,795,044	1,180,402,055	2		1,228,264,432	54,371,178	373,291	262,267,581	4.19
4	State Employees CU, Raleigh, N.C.	2	1,169,417,000	1,002,246,097	3		1,119,643,000	46,238,000	225,000	160,104,000	3.95
5	Boeing Employees CU, Seattle	2	676,509,000	480,131,044	10	+5	495,083,000	42,422,000	102,975	128,180,000	6.27
6	Alaska USA FCU, Anchorage	1	650,084,759	597,562,763	5		613,877,118	29,420,699	215,954	85,858,704	4.53
7	Hughes Aircraft Empl. FCU, Manhattan Beach, Calif.	1	640,084,657	514,646,251	8	+1	609,346,745	29,556,734	114,000	125,166,517	4.62
8	Eastern Airlines Employees FCU, Miami	1	630,440,144	575,713,334	6		568,052,974	53,632,973	86,178	103,925,725	8.51
9	American Airlines Employees FCU, Dallas	1	600,569,322	485,305,043	9		559,519,543	30,146,582	60,171	107,870,037	5.02
10	Government Employees CU, San Antonio, Tex.	2	546,030,212	566,505,000	7		N.A.	N.A.	N.A.	N.A.	N.A.
11	IBM Poughkeepsie Employees FCU, N.Y.	1	510,616,000	417,678,385	12	+1	471,700,000	21,700,000	88,450	86,100,000	4.25
12	Telephone Empl. CU of So. Calif. Ltd., Los Angeles	2	508,326,686	441,254,828	11		464,985,181	37,496,108	85,914	85,453,361	7.38
13	LMSC FCU, Sunnyvale, Calif.	1	487,694,727	369,446,844	15	+2	443,498,523	37,152,941	44,505	76,293,300	7.62
14	Tinker CU, Oklahoma City	2	472,240,524	414,775,555	13		427,133,417	36,831,244	202,612	40,413,008	7.80
15	Construction Equipment FCU, Peoria, Ill.	1	431,486,060	407,945,923	14		410,832,148	15,655,796	100,737	38,273,424	3.63
16	Golden One CU, Sacramento, Calif.	2	427,566,601	348,234,589	17	+1	401,371,496	20,803,054	111,164	55,890,801	4.86
17	TWA CU, Kansas City, Mo.	2	422,205,692	301,057,015	20	+3	363,502,378	9,266,165	41,373	49,430,044	2.19
18	America First CU, Ogden, Utah	2	418,719,901	354,788,122	16		380,091,000	31,828,000	115,624	54,065,890	7.60
19	Lockheed FCU, Burbank, Calif.	1	407,703,000	325,614,000	18		380,803,000	19,563,000	64,474	97,768,000	4.80
20	Orange County Teachers CU, Santa Ana, Calif.	1	385,028,858	289,141,968	21	+1	326,819,564	56,443,968	49,066	46,127,332	14.66
21	State Employees Credit Union of Maryland, Towson	2	383,405,525	287,116,012	23	+2	365,506,449	16,635,269	102,723	50,929,712	4.34
22	Delta Employees CU, Atlanta	2	381,844,565	313,360,991	19		312,434,173	21,878,131	52,722	45,294,338	5.73
23	Redstone FCU, Huntsville, Ala.	1	363,698,732	287,058,171	24	+1	342,980,784	13,916,675	106,190	71,040,102	3.83
24	ENT FCU, Colorado Springs, Colo.	1	361,965,217	279,985,815	26	+2	340,420,358	20,025,887	77,389	34,816,799	5.53
25	Teachers CU, South Bend, Ind.	2	348,313,218	284,459,923	25		275,822,184	17,668,965	75,811	47,916,940	5.07
26	Bethpage FCU, N.Y.	1	348,203,092	274,047,044	27	+1	316,707,507	19,913,018	67,604	14,550	5.72
27	Dearborn FCU, Mich.	1	339,970,000	288,929,000	22		319,421,000	16,775,000	97,428	53,266,000	4.93
28	Texins CU, Dallas	2	320,185,903	272,555,948	28		299,577,073	17,429,123	78,260	84,471,748	5.44
29	IBM Endicott/Owego Employees FCU, Endicott, N.Y.	1	319,656,926	267,893,960	29		297,604,728	20,032,430	66,290	31,939,788	6.27
30	Georgia Telco CU, Atlanta	3	315,291,652	264,425,322	30		299,151,377	15,366,609	57,091	36,649,068	4.87
31	Suncoast Schools FCU, Tampa, Fla.	1	313,987,233	255,275,236	32	+1	248,424,240	18,067,385	75,546	41,568,809	5.75
32	Tower FCU, Annapolis Junction, Md.	1	305,082,000	250,158,372	34	+2	282,992,000	14,401,000	63,905	58,243,000	4.72
33	Provident Central CU, Burlingame, Calif.	2	297,946,966	249,267,769	35	+2	273,259,137	19,661,438	62,687	47,660,223	6.60
34	Jax Navy FCU, Jacksonville, Fla.	1	295,673,706	256,716,017	31		275,448,473	14,597,872	108,484	27,184,402	4.94
35	North Island FCU, San Diego, Calif.	1	289,930,000	246,645,886	36	+1	267,000,000	18,740,122	107,717	31,784,324	6.46
36	Security Service FCU, San Antonio, Tex.	1	289,191,000	244,314,593	37	+1	257,674,000	20,364,000	112,000	27,980,000	7.04
37	Dallas Teachers CU	2	286,055,081	250,894,479	33		230,671,287	14,672,884	90,798	35,594,418	5.13
38	Philadelphia Police & Fire FCU	1	283,703,333	196,558,000	55	+17	229,231,595	9,229,008	51,538	42,971,651	3.25
39	Los Angeles Teachers CU	2	259,209,137	228,868,071	38		244,455,551	14,065,288	26,672	19,691,212	5.43
40	Bellco CU, Denver	2	257,058,967	208,717,643	41	+1	236,013,417	19,391,336	51,161	45,055,899	7.54
41	Travis FCU, Travis A.F.B., Calif.	1	256,985,061	196,884,571	54	+13	245,759,936	18,866,724	64,915	40,366,560	7.34
42	Pennsylvania State Employees CU, Harrisburg	2	255,283,072	195,761,636	56	+14	247,759,893	6,791,785	87,496	9,019	2.66
43	McDonnell Douglas West FCU, Torrance, Calif.	1	252,086,743	201,102,598	50	+7	230,285,543	18,051,370	56,255	40,979,884	7.16
44	Langley FCU, Hampton, Va.	1	250,046,310	204,192,964	45	+1	224,248,887	21,824,393	68,804	34,626,657	8.51
45	Randolph Brooks FCU, Universal City, Tex.	1	249,458,000	211,480,399	40		226,914,045	19,531,887	60,813	37,077,055	7.83
46	Charleston Naval Shipyard FCU, S.C.	1	248,971,198	207,726,976	42		230,956,450	14,867,685	109,000	14,800,000	5.97
47	Northwest FCU, Vienna, Va.	1	245,607,000	205,521,000	43		236,000,000	9,607,000	N.A.	N.A.	3.91
48	Atlanta Postal CU	3	244,539,549	177,098,372	65	+17	209,333,551	12,948,833	48,068	23,446,188	5.29
49	Government Employees Credit Union of El Paso, Tex.	2	238,793,931	225,000,000	39		231,094,526	10,347,923	69,500	18,979,349	4.33
50	MAX FCU, Montgomery, Ala.	1	236,725,154	204,183,482	46		197,041,184	13,122,651	83,705	23,836,626	5.54
51	Mission FCU, San Diego, Calif.	1	236,639,000	203,951,094	48		159,000,000	17,487,376	55	29,000,000	7.39
52	IBM Interstate Employees FCU, Rye, N.Y.	1	236,442,155	199,830,422	52		224,647,932	8,943,790	53,373	65,328,017	3.78
53	East Hartford Aircraft FCU, Conn.	1	232,434,405	200,472,249	51		216,558,884	12,773,319	82,412	33,021,437	5.49
54	San Diego Navy FCU, Calif.	1	231,851,292	178,428,492	64	+10	186,940,569	(2,110,633)	107,000	21,315,934	(0.91)
55	Andrews FCU, Suitland, Md.	1	228,883,000	193,342,289	57	+2	N.A.	N.A.	N.A.	N.A.	N.A.
56	TRW Systems FCU, Redondo Beach, Calif.	1	227,034,569	204,002,378	47		218,771,638	7,723,552	43,866	53,316,767	3.40
57	Digital Employees FCU, Maynard, Mass.	1	225,997,000	199,000,000	53		214,000,000	6,800,000	120,000	35,000,000	3.01
58	Municipal CU, New York	2	224,662,885	179,768,931	63	+5	208,693,372	11,839,022	185,710	17,187,080	5.27
59	Robins FCU, Warner Robins, Ga.	1	224,252,426	185,403,995	59		177,512,265	21,505,479	69,803	20,589,467	9.59
60	America's First Credit Union, Birmingham, Ala.	2	224,243,780	204,716,264	44		189,921,135	13,407,656	94,147	19,160,724	5.98
61	Patelco CU, San Francisco	2	221,027,785	166,994,693	71	+10	210,247,563	10,143,356	50,890	21,369,898	4.59
62	Progressive Consumers FCU, Malden, Mass.	1	217,775,000	132,652,244	107	+45	207,248,000	7,597,760	32,000	12,843,812	3.43
63	Teachers FCU, Farmingville, N.Y.	1	211,886,169	169,041,414	68	+5	204,056,596	6,075,391	67,707	34,365,214	2.87
64	Litton Employees FCU, Woodland Hills, Calif.	1	211,345,000	203,947,558	49		196,622,000	9,601,000	68,568	37,684,766	4.54
65	Rockwell FCU, Downey, Calif.	1	210,207,260	181,052,362	62		193,250,928	14,377,656	63,645	23,623,290	6.84
66	Dow Chemical Employees CU, Midland, Mich.	2	208,631,671	167,000,000	70	+4	186,799,122	18,585,242	23,624	.....	8.91
67	MacDill A.F.B. FCU, Fla.	1	208,328,591	159,486,512	75	+8	192,872,002	8,323,692	45,884	14,799,068	3.99
68	Portland Teachers CU, Ore.	2	206,459,073	169,898,870	67		194,089,688	11,525,452	55,351	29,202,572	5.58
69	First Community CU, St. Louis, Mo.	3	204,651,793	184,852,273	60		184,423,160	8,392,293	42,025	20,313,070	4.10
70	Newport News Shipbuilding Employees CU Inc., Va.	2	204,255,848	154,093,778	79	+9	187,407,987	16,577,299	43,561	6,940	8.12
71	Rockland FCU, Mass.	1	203,707,921	185,686,000	58		193,498,076	5,513,385	57,192	27,583,296	2.71
72	Bank Fund Staff FCU, Washington, D.C.	1	202,111,000	160,511,000	74	+2	189,262,000	11,524,000	16,787	3,097,000	5.70
73	Desert Schools FCU, Phoenix, Ariz.	1	200,414,354	155,606,751	78	+5	187,253,558	12,173,915	69,694	21,585,384	6.07
74	Eastman CU, Kingsport, Tenn.	3	198,141,565	172,962,837	66		160,320,825	15,972,190	23,057	17,300,027	8.06
75	Wright-Patt CU, Inc., Fairborn, Ohio	2	195,717,859	162,548,451	73		179,531,604	12,300,808	92,425	22,496,037	6.28
76	Lockheed Georgia Employees FCU, Marietta	1	192,880,670	182,201,365	61		181,358,372	8,586,437	37,657	8,613,740	4.45
77	Municipal Employees Credit Union of Baltimore, Inc.	2	192,482,858	168,194,608	69		174,615,519	17,274,751	46,711	20,229,821	8.97
78	Naval Air FCU, Virginia Beach, Va.	1	190,438,566	158,434,931	77		179,547,341	9,747,348	76,596	22,519,398	5.12
79	Marquette CU, Woonsocket, R.I.	5	189,066,783	125,387,685	119	+40	179,514,245	6,125,187	34,928	3,468,389	3.24
80	Nevada FCU, Las Vegas	1	187,060,681	146,000,000	88	+8	178,950,000	9,800,000	70,000	22,600,000	5.24
81	Tulsa Teachers CU, Okla.	2	183,529,993	151,227,034	81		153,278,600	8,282,356	39,600	21,131,070	4.51
82	Educational Employees CU, Fresno, Calif.	2	180,800,367	131,754,443	108	+26	156,332,286	9,638,556	40,062	12,585,204	5.33
83	Kern Schools FCU, Bakersfield, Calif.	1	179,948,421	148,688,002	84	+1	162,976,207	13,436,864	53,391	16,097,121	7.47
84	Detroit Municipal CU	2	178,237,423	119,803,395	123	+39	N.A.	N.A.	N.A.	N.A.	N.A.
85	Texas Dow Employees CU, Lake Jackson, Tex.	2	177,918,140	125,678,964	118	+33	164,995,915	9,901,024	28,356	18,061,594	5.56
86	S.A.F.E. FCU, North Highlands, Calif.	1	177,698,790	158,818,481	76		162,181,148	12,017,337	43,263	4,077	6.76
87	State Department FCU, Arlington, Va.	1	177,477,585	162,873,114	72		165,624,872	6,900,449	46,193	43,770,162	3.89
88	Electric Boat Community FCU, Groton, Conn.	1	177,102,807	128,995,290	110	+22	170,504,714	5,728,927	49,598	26,762,785	3.23
89	IBM Mid America Employees FCU, Rochester, Minn.	1	175,229,309	146,896,301	87		161,372,003	11,903,384	43,255	7,339	6.79
90	Pen Air FCU, Pensacola, Fla.	1	174,583,347	148,437,942	86		146,691,720	10,852,233	50,605	13,958,430	6.22
91	Kitsap FCU, Bremerton, Wash.	1	173,491,279	136,984,456	98	+7	166,038,059	7,063,420	44,233	2,262	4.07
92	Washington State Employees CU, Olympia	2	172,578,371	.....	...		N.A.	N.A.	N.A.	N.A.	N.A.
93	Reynolds Carolina CU, Winston-Salem, N.C.	2	170,411,952	142,159,257	92		157,911,915	9,027,442	22,111	21,549,796	5.30
94	School Employees CU, Sacramento, Calif.	2	169,147,011	133,545,509	104	+10	156,918,719	7,582,627	53,426	4,314,795	4.48
95	Inland Employees FCU, East Chicago, Ind.	1	167,882,033	139,811,929	95		157,621,069	9,329,439	31,518	16,218,330	5.56
96	First Atlantic FCU, West Long Branch, N.J.	1	167,530,562	150,611,443	82		160,243,520	4,296,562	56,443	23,436,069	2.56
97	Richardson CU, Tex.	3	167,230,544	145,977,172	89		134,241,713	10,581,145	45,281	21,189,362	6.33
98	Eli Lilly FCU, Indianapolis	1	167,003,000	144,865,393	90		156,551,000	10,484,000	24,836	.....	6.28
99	Eglin FCU, Fort Walton Beach, Fla.	1	165,564,482	149,037,230	83		155,100,701	6,860,963	70,522	13,781,879	4.14
100	Air Defense Center FCU, El Paso, Tex.	1	165,354,252	151,910,012	80		157,586,137	4,271,775	106,511	21,357,285	2.58

The listing excludes corporate central federal credit unions and state central credit unions. Charter-Insurance Type: 1—Federally-chartered credit union (FCU), which is NCUA-insured. 2—State-chartered NCUA-insured. 3—State-chartered state (agency) insured. 4—Noninsured. 5—Privately insured. Member Savings: Includes share capital, share drafts, deposits, and investment certificates. Total Capital: This is the sum of all reserves plus undivided earnings. Ratio of Capital to Assets: Total capital divided by total assets, expressed as a percent. N.A.-Not available. ( )—Negative. Source of Data: The primary source of data is American Banker's questionnaire sent directly to the 150 largest credit unions in the nation. For credit unions not responding to the questionnaire, asset data from various state credit union leagues and the National Credit Union Administration were used.

Summary of Survey Findings: The Top 100 Credit Unions

Top 100 Compared with All Credit Unions

(Dollar Amounts in Millions)		Top 100	All CUs*	Ratio Top 100: All
Total Assets	6/30/86:	$33,044	$156,900	21.06%
	6/30/85:	$27,278	$131,700	20.71%
	% Change:	+21.1%	+19.1%	.....
Members' Savings (a)	6/30/86:	$28,699	$144,400	19.87%
	6/30/85:	$23,773	$119,900	19.83%
	% Change:	+20.7%	+20.4%	.....
IRA Deposits (b)	6/30/86:	$4,262	$17,700	24.08%
	6/30/85:	$2,988	$12,589	23.74%
	% Change:	+42.6%	+40.6%	.....
Number of Members (c)	6/30/86:	7,711,481	53,300,000	14.47%
	6/30/85:	7,372,647	52,900,000	13.94%
	% Change:	+ 4.6%	+ 0.8%	.....
Number of CUs	6/30/86:	.....	17,348	.....
	6/30/85:	.....	18,176	.....
	% Change:	....	-4.6%	.....

* Data for the entire credit union industry provided by Credit Union National Association, Madison, Wis. The June 30, 1986, data are estimates.
(a)— Four of the top 100 credit unions did not provide member savings on 6/30/86, and four of the top 100 did not report member savings on 6/30/85.
(b)— Five of top 100 credit unions did not provide IRA totals on 6/30/86, and 15 of top 100 did not report on 6/30/85.
(c)— Ninety-five of the top 100 credit unions reported membership totals on 6/30/86, and 96 of top 100 reported membership totals on 6/30/85.

Largest Asset Gainers

		Assets 6/30/86	Assets 6/30/85	% Incr.	CU Rank
1	Progressive Consumers FCU, Malden, Mass.	217,775,000	132,652,244	64.17	62
2	United Air Lines Employees CU, Chicago	1,303,249,226	859,888,603	51.56	2
3	Marquette CU, Woonsocket, R.I.	189,066,783	125,387,685	50.79	79
4	Detroit Municipal CU	178,237,423	119,803,395	48.77	84
5	Philadelphia Police & Fire FCU	283,703,333	196,558,000	44.34	38
6	Texas Dow Employees CU, Lake Jackson, Tex.	177,918,140	125,678,964	41.57	85
7	Boeing Employees CU, Seattle	676,509,000	480,131,044	40.90	5
8	TWA CU, Kansas City, Mo.	422,205,692	301,057,015	40.24	17
9	Atlanta Postal CU	244,539,549	177,098,372	38.08	48
10	Electric Boat Community FCU, Groton, Conn.	177,102,807	128,995,290	37.29	88

Largest Capital-to-Asset Ratios

		Assets 6/30/86	Capital 6/30/86	C/A Ratio	Asset Rank
1	Orange County Teachers CU, Santa Ana, Calif.	385,028,858	56,443,968	14.66	20
2	Robins FCU, Warner Robins, Ga.	224,252,426	21,505,479	9.59	59
3	Municipal Emp. Credit Union of Baltimore, Inc.	192,482,858	17,274,751	8.97	77
4	Dow Chemical Employees CU, Midland, Mich.	208,631,671	18,585,242	8.91	66
5	Langley FCU, Hampton, Va.	250,046,310	21,824,393	8.51	44
6	Eastern Airlines Employees FCU, Miami	630,440,144	53,632,973	8.51	8
7	Newport News Shipbuilding Emp. CU Inc., Va.	204,255,848	16,577,299	8.12	70
8	Eastman CU, Kingsport, Tenn.	198,141,565	15,972,190	8.06	74
9	Randolph Brooks FCU, Universal City, Tex.	249,458,000	19,531,887	7.83	45
10	Tinker CU, Oklahoma City	472,240,524	36,831,244	7.80	14

Smallest Capital-to-Asset Ratios

		Assets 6/30/86	Capital 6/30/86	C/A Ratio	Asset Rank
1	San Diego Navy FCU, Calif.	231,851,292	(2,110,633)	(0.91)	54
2	United Air Lines Employees CU, Chicago	1,303,249,226	27,589,562	2.12	2
3	TWA CU, Kansas City, Mo.	422,205,692	9,266,165	2.19	17
4	First Atlantic FCU, West Long Branch, N.J.	167,530,562	4,296,562	2.56	96
5	Air Defense Center FCU, El Paso, Tex.	165,354,252	4,271,775	2.58	100
6	Pennsylvania State Employees CU, Harrisburg	255,283,072	6,791,785	2.66	42
7	Rockland FCU, Mass.	203,707,921	5,513,385	2.71	71
8	Teachers FCU, Farmingville, N.Y.	211,886,169	8,075,391	2.87	63
9	Digital Employees FCU, Maynard, Mass.	225,997,000	6,800,000	3.01	57
10	Electric Boat Community FCU, Groton, Conn.	177,102,807	5,728,927	3.23	88

Top 25 Credit Unions in Total Capital

(Dollar Amounts in Millions)		Capital 6/30/86	Assets 6/30/86	C/A Ratio	Asset Rank
1	Navy FCU, Washington, D.C.	150.8	2,401.3	6.3	1
2	Orange County Teachers CU, Santa Ana, Calif.	56.4	385.0	14.7	20
3	Pentagon FCU, Arlington, Va.	54.4	1,298.8	4.2	3
4	Eastern Airlines Employees FCU, Miami	53.6	630.4	8.5	8
5	State Employees CU, Raleigh, N.C.	46.2	1,169.4	4.0	4
6	Boeing Employees CU, Seattle	42.4	676.5	6.3	5
7	Telephone Empl. CU of So. Calif., Los Angeles	37.5	508.3	7.4	12
8	LMSC FCU, Sunnyvale, Calif.	37.2	487.7	7.6	13
9	Tinker CU, Oklahoma City	36.8	472.2	7.8	14
10	Melrose CU, Queens, New York	36.4	137.2	26.6	....
11	America First CU, Ogden, Utah	31.8	418.7	7.6	18
12	American Airlines Employees FCU, Dallas	30.1	600.6	5.0	9
13	Hughes Aircraft Emp. FCU, Manh. Beach, Calif.	29.6	640.1	4.6	7
14	Alaska USA FCU, Anchorage	29.4	650.1	4.5	6
15	United Air Lines Employees CU, Chicago	27.6	1,303.2	2.1	2
16	Credit Union Central Falls, R.I.	26.6	147.8	18.0	128
17	Delta Employees CU, Atlanta	21.9	381.8	5.7	22
18	Langley FCU, Hampton, Va.	21.8	250.0	8.5	44
19	IBM Poughkeepsie Employees FCU, N.Y.	21.7	510.6	4.2	11
20	Robins FCU, Warner Robins, Ga.	21.5	224.3	9.6	59
21	Golden One CU, Sacramento, Calif.	20.8	427.6	4.9	16
22	Security Service FCU, San Antonio, Tex.	20.4	289.2	7.0	36
23	IBM Endicott/Owego Empl. FCU, Endicott, N.Y.	20.0	319.7	6.3	29
24	ENT FCU, Colorado Springs, Colo.	20.0	362.0	5.5	24
25	Bethpage FCU, N.Y.	19.9	348.2	5.7	26

Top 25 Credit Unions in IRA Accounts

(Dollar Amounts in Millions)		IRAs 6/30/86	Mem. Sav. 6/30/86	I/M Ratio	Asset Rank
1	Navy FCU, Washington, D.C.	428.7	2,166.5	19.8	1
2	Pentagon FCU, Arlington, Va.	262.3	1,228.3	21.4	3
3	United Air Lines Employees CU, Chicago	230.1	868.6	26.5	2
4	State Employees CU, Raleigh, N.C.	160.1	1,119.6	14.3	4
5	Boeing Employees CU, Seattle	128.2	495.1	25.9	5
6	Hughes Aircraft Emp. FCU, Manh. Beach, Cal.	125.2	609.3	20.5	7
7	American Airlines Employees FCU, Dallas	107.9	559.5	19.3	9
8	Eastern Airlines Employees FCU, Miami	103.9	568.1	18.3	8
9	Lockheed FCU, Burbank, Calif.	97.8	380.8	25.7	19
10	IBM Poughkeepsie Employees FCU, N.Y.	86.1	471.7	18.3	11
11	Alaska USA FCU, Anchorage	85.9	613.9	14.0	6
12	Telephone Empl. CU of So. Calif., Los Angeles	85.5	465.0	18.4	12
13	Texins CU, Dallas	84.5	299.6	28.2	28
14	LMSC FCU, Sunnyvale, Calif.	76.3	443.5	17.2	13
15	Redstone FCU, Huntsville, Ala.	71.0	343.0	20.7	23
16	IBM Interstate Employees FCU, Rye, N.Y.	65.3	224.6	29.1	52
17	Tower FCU, Annapolis Junction, Md.	58.2	283.0	20.6	32
18	Golden One CU, Sacramento, Calif.	55.9	401.4	13.9	16
19	America First CU, Ogden, Utah	54.1	380.1	14.2	18
20	TRW Systems FCU, Redondo Beach, Calif.	53.3	218.8	24.4	56
21	Dearborn FCU, Mich.	53.3	319.4	16.7	27
22	State Emp. Credit Union of Maryland, Towson	50.9	365.5	13.9	21
23	TWA CU, Kansas City, Mo.	49.4	363.5	13.6	17
24	Teachers CU, South Bend, Ind.	47.9	275.8	17.4	25
25	Provident Central CU, Burlingame, Calif.	47.7	273.3	17.4	33

High Court Views Bank Tax Liability

By BART NAYLOR

Washington Bureau

WASHINGTON — The Supreme Court on Monday heard a case that tests how easily the government may use banks to collect taxes.

The case is not expected to be decided by the court for several months.

In the case titled Jersey Shore State Bank v. United States, a Pennsylvania-chartered bank was charged employment taxes owed by Pennmount Industries Inc., a now-bankrupt furniture maker that had borrowed money from the bank.

When Pennmount would not pay taxes it owed, the Internal Revenue Service turned to the Jersey Shore State Bank, Jersey Shore, Pa. Tax officials claimed that Jersey Shore had paid wages directly to Pennmount employees and therefore was liable for withholding taxes.

Martin Flayhart, attorney for Jersey Shore, told the high court on Monday that the government had failed to give proper notice to the bank that it would seek the tax. Justice Byron White agreed rhetorically: "How can a bank protect itself?"

U.S. Attorney Alan I. Horowitz, however, contended that no notice *is* required. "The government doesn't have to give notice on taxes, just like it doesn't have to give notice to a bank to make good loans," he said.

In a friend-of-the-court brief, the American Bankers Association has emphasized that if no notice is given, then a bank has no protection through the statute of limitations. The tax suit began in 1983 against the bank on tax problems that began in 1977. ■

Credit Unions . . .

Continued from Page 1

rates offered at credit unions.

For example, according to data from the Credit Union National Association, the average rate at midyear on regular savings shares at credit unions was 6.80%, and the average weighted offering rate on certificates of deposit of various maturities was 7.70%.

By contrast, the rate on money market deposit accounts at savings institutions insured by the Federal Savings and Loan Insurance Corp. was 6.18% in June. And the average weighted offering rate on CDs was 7.46%, according to the Federal Home Loan Bank Board.

Ed Callahan, the former chairman of the National Credit Union Administration and now the president of Callahan & Associates Inc., a Washington credit union consulting firm, says that cross-intermediation is attributable to two factors.

'A Matter of Confidence'

"First, it's a matter of confidence more than the interest rate differential," Mr. Callahan says. "Because of the turmoil in the marketplace, credit union members are retreating to the safety of their credit unions. Second, you must remember that credit unions are in a vast expansion mode, and their asset and deposit growth reflects this expansion."

The higher deposit growth rate at credit unions helped them increase their share of the thrift deposit market. At midyear, credit unions had 12% of the thrift industry's deposits, compared with 10.7% on June 30, 1985, and 10.1% on June 30, 1984.

Credit unions have been able to offer higher interest rates than savings institutions on different types of deposits because of their lower operating costs, which, in turn, are attributable to several factors.

First, credit unions are nonprofit organizations and therefore do not pay taxes. Second, many credit unions use volunteer workers and boards of directors to reduce costs. Third, credit unions have experienced lower loan losses because of the "common bond" of membership.

The *American Banker* survey of the top 100 credit unions did not examine the asset composition of these institutions for various trends and changes.

Credit Unions: Page 31

American Banker Report Available on Diskette

The data presented in today's report on the top credit unions are available on a computer diskette for $100 (New York residents please add sales tax).

The diskette version expands upon the printed report by including data on the top 130 credit unions. In addition, for all of the categories of information included in today's tables (member savings, total capital, etc.), the diskette includes comparable figures for June 30, 1985.

The diskette uses formats suitable for most personal computer users and allows for easy manipulation and analysis.

To order your diskette, write American Banker Data Service, American Banker, One State Street Plaza, New York, N.Y. 10004. Outside of New York, phone orders may be placed without charge by calling Debra Crocco at 800-322-0047. New York State residents may call 212-943-8276.

The *American Banker* also has available a diskette of its report on the top 300 mortgage companies published in the Nov. 21, 1986 issue, pg. 16. The cost is $100.

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This announcement appears as a matter of record only

Credit Unions Again Outpace Other Thrifts in Deposit Growth

Continued from Page 24

However, Chip Filson, vice president of Callahan & Associates Inc., did examine the asset portfolio of the top 100 credit unions during the 18-month period from December 1984 to June 1986.

During that period, Mr. Filson finds that loans as a percentage of assets at these institutions have remained virtually unchanged at 60%. In addition, the top 100 credit unions were able to maintain their share of the new auto lending market, despite the dealer-financing programs of the nation's Big Three auto companies.

Mr. Filson finds that the ratio of new auto loans to total loans at the top 100 was relatively stable over the period. It was 27% at yearend 1984, 28.9% at yearend 1985, and 28% at midyear 1986. Data showing the effect of the recent spate of incentive programs by the Big Three automakers this fall are not yet available.

Another finding is that a new growth area for the top 100 credit unions has been mortgage lending. During the period, mortgage lending as a percentage of loans rose from 15.3% on Dec. 31, 1984, to 18% on June 30, 1986.

Responding to Consumer Needs

Mr. Filson says, "Credit unions are increasing their activity in the mortgage lending area in response to the needs of their consumer constituency. Typically, credit unions begin by making second-mortgage loans. As they become familiar with the paperwork involved with mortgage loans, they then move into first-mortgage lending."

The current survey results are presented in seven statistical listings. The main listing ranks the top 100 credit unions by total assets at midyear 1986 and midyear 1985. Also shown are total member savings (deposits), total capital, the number of regular savings accounts, and the capital-assets ratio for each institution as of June 30.

Two tables rank the top 25 credit unions in capital and individual retirement accounts, respectively. And four tables summarize and highlight the data in the main listing.

Among other major findings of the survey:

• The Navy Federal Credit Union, Washington, D.C., remains the top credit union in the nation in total assets, member savings, total capital, number of regular accounts, and IRA deposits. At midyear, Navy Federal had $2.4 billion in assets, up 26% from $1.9 billion the year before; $2.2 billion in member savings, up 26% from $1.7 billion; $150.8 million in capital (all reserves plus undivided earnings), up 29%; and the number of regular share accounts rose 8.4%, to 741,478, from the year before. In addition, it had $429 million in IRA deposits, up 40% from $307 million at midyear 1985.

Navy Federal had $2.2 billion in deposits at midyear, making it 69th among all thrifts — savings and loans, savings banks, and credit unions — up from 90th position a year earlier. Its IRA deposits, however, rank it among the top 25 thrifts in this category.

• United Air Lines Employees Credit Union, Chicago, became the nation's second largest credit union, with a 51.6% gain in its assets to $1.3 billion at midyear from $859.9 million a year earlier, when it ranked fourth.

Dick Heath, a senior vice president, attributes the gain to good management. "We've been in a very enviable position to pay very competitive dividend rates," Mr. Heath says.

"To illustrate, in March of last year we were paying 10.5%. In March of this year, our dividend rate was 9.5%. Our latest dividend payout in September was 8.5%," he says. "Some of our members had long-term CDs and IRAs outside the credit union, but they have been moving those funds into the credit union."

United Air Lines surpassed both the Pentagon Federal Credit Union, Arlington, Va., which fell one notch to third with $1.29 billion in assets, and the State Employees Credit Union, Raleigh, N.C., which fell one position to fourth with assets of $1.2 billion.

• Among the top 10 credit unions, Boeing Employees Credit Union, Seattle, posted the largest gain in rank, advancing five places to fifth position with $677 million in assets on June 30, up 41% from the year before.

• The largest percentage gain in assets among the top 100 credit unions was posted by Progressive Consumers Federal Credit Union, Malden, Mass. Its assets rose 64% to $217.8 million over the year ended June 30, 1986, from $132.7 million on June 30, 1985, and it moved up 45 places to rank 62d. Progressive, which changed to a federal charter in September 1985, attributes the gain to its competitive rates on share accounts. The rate is currently 7¾%, down from 9.0% in April.

• For the third year in a row, the Orange County Teachers Credit Union, Santa Ana, Calif., which ranked 20th in assets, with $385 million, had the best capital-to-assets ratio among the top 100 credit unions: 14.7%. In addition, Orange County Teachers is the second largest credit union in capital, with $56.4 million on June 30.

The second best capital ratio, 9.6%, was posted by the $224 million-asset Robins Federal Credit Union, Warner Robins, Ga., the nation's 59th largest credit union. The average capital ratio for the top 100 credit unions was 5.1%. ■

The Thrift Industry at a Glance

Summary Data: June 30, 1986 Versus June 30, 1985

(Dollar Amounts in Billions)

TOTAL ASSETS	6/30/86	6/30/85	% Change
All Thrifts	$1,503.8	$1,356.2	10.9
Savings Institutions	$1,346.9	$1,224.5	10.0
Savings & Loan Associations[1]	$1,123.5	$1,012.3	11.0
Savings Banks[2]	$223.4	$212.2	5.3
Credit Unions[3]	$156.9	$131.7	19.1
Credit Union Share	10.4%	9.7%	
Savings Institutions' Share	89.6%	90.3%	

TOTAL DEPOSITS	6/30/86	6/30/85	% Change
All Thrifts	$1,206.6	$1,123.6	7.4
Savings Institutions	$1,062.2	$1,003.7	5.8
Savings & Loan Associations[1]	$873.1	$817.6	6.8
Savings Banks[2]	$189.1	$186.1	1.6
Credit Unions[3]	$144.4	$119.9	20.4
Credit Union Share	12.0%	10.7%	
Savings Institutions' Share	88.0%	89.3%	

IRA AND KEOGH DEPOSITS	6/30/86	6/30/85	% Change
All Thrifts[4]	$92.1	$71.8	28.3
Credit Unions[3]	$17.7	$12.6	40.5
Credit Union Share	19.2%	17.5%	
Savings Institutions' Share	80.8%	82.5%	

NUMBER OF INSTITUTIONS	6/30/86	6/30/85	% Change
All Thrifts	20,966	21,744	- 3.6
Savings & Loans Associations[1]	3,249	3,196	+ 1.7
Savings Banks[2]	369	372	- 0.8
Credit Unions[3]	17,348	18,176	- 4.6

Thrift Institutions include savings institutions (savings & loans plus savings banks) and credit unions. Data Sources: (1)— Federal Home Loan Bank Board, Wash. DC. Data on all FSLIC-insured institutions including federal savings banks. (2)— National Council of Savings Institutions, Wash., D.C. Data on the "traditional" savings bank industry. The bulk of these institutions are FDIC-insured. (3)— Credit Union National Association, Madison, Wis. (4)— Federal Reserve Board's H.6 Release.

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